



STATE OF IOWA
MASTER AGREEMENT

MA# 005 CT2839MVLAS X 6

EFFECTIVE BEGIN DATE: 12-01-2003
EXPIRATION DATE: 11-30-2006
PAGE: 1 of 4

BUYER : ASHLEY SUPER
ashley.super@iowa.gov
515-281-7073

FOB

PAYMENT TERMS (%): DAYS:

VENDOR:

Lason Systems Inc
22570 Network PI

Chicago, IL 60673-1225
USA

VENDOR CONTACT:

Brain Haberman

PHONE: 515-243-1300

EXT:

EMAIL: bhaberman@lason.com

VENDOR #: 38338480000

DESCRIPTION OF ITEMS CONTRACTED

DIGITAL SCANNING SERVICES PER ATTACHED SCHEDULE.

Contract For Digital Scanning Services Pursuant To The Specifications, Terms And Conditions Of Bid No. BD80300S207 Dated August 20, 2002 and Vendor's Proposal on file with The Department Of Administrative Services, GSE Purchasing, Hoover Building, Level A, Des Moines, Iowa 50319-0105

See Attached Schedule of Services and Prices dated March 7, 2006.

RENEWAL PERIODS

FROM 12-01-2005 TO 11-30-2006

FROM 12-01-2006 TO 11-30-2007

FROM 12-01-2007 TO 11-30-2008

THRESHOLDS

MINIMUM ORDER AMOUNT: \$250.00

MAXIMUM ORDER AMOUNT:

NOT TO EXCEED AMOUNT:

AUTHORIZED DEPARTMENT

ALL

SUB Political Sub-divisions

TOTAL \$0.00

VENDOR:

APPROVED BY:

THIS MA IS SUBJECT TO THE TERMS AND
CONDITIONS ATTACHED HERETO.
PLEASE SEE ATTACHMENTS FOR
FURTHER DESCRIPTIONS.



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LINE NO.	QUANTITY / SERVICE DATES	UNIT	COMMODITY / DESCRIPTION	UNIT COST / PRICE OF SERVICE
1	0.00000		92038	\$0.000000
				\$0.000000

Optical Scanning Services

See attached schedule of service and prices dated March 7, 2006.



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TERMS AND CONDITIONS

Incorporation

The Request for Proposal and/or bid documents for this project and the vendor's proposal in response to the RFP or Bid together with any clarifications, attachments, appendices, or amendments of the State or the Vendor are incorporated into this Contract by reference as if fully set forth in this Contract.

Remedies upon Default

In any case where the vendor has failed to deliver or has delivered non-conforming goods and/or services, the State shall provide a cure notice. The notice to cure shall state the maximum length of time the vendor has to cure. If after the time period stated in the notice to cure has passed, the vendor continues to be in default, the State may procure goods and/or services in substitution from another source and charge the difference between the contracted price and the market price to the defaulting vendor. The State's Attorney General shall be requested to make collection from the defaulting vendor.

Force Majeure

Force majeure includes acts of God, war, civil disturbance and any other causes which are beyond the control and anticipation of the party affected and which, by the exercise of reasonable diligence, the party was unable to anticipate or prevent. These provisions of force majeure also apply to subcontractors or suppliers of the Vendor. Force majeure does not include financial difficulties of the Vendor or any associated company of the Vendor, or claims or court orders that restrict the Vendor's ability to deliver the goods or services contemplated by this Agreement. Neither the Vendor nor the State shall be liable to the other for any delay or failure of performance of this Agreement caused by a force majeure, and not as a result of the fault or negligence of a party.

Subcontractors

The successful vendor shall be responsible for all acts and performance of any subcontractor or secondary supplier that the successful vendor may engage for the completion of any contract with the State. A delay that results from a subcontractor's conduct, negligence or failure to perform shall not exempt the vendor from default remedies. The successful vendor shall be responsible for payment to all subcontractors and all other third parties.

Termination-Non-Appropriation

Notwithstanding any other provision of this contract, if funds anticipated for the continued fulfillment of this contract are at any time not forthcoming or insufficient, either through the failure of the State to appropriate funds, discontinuance or material alteration of the program for which funds were provided, then the State shall have the right to terminate this contract without penalty by giving not less than thirty (30) days written notice documenting the lack of funding, discontinuance or program alteration.

Immunity of State/Fed Agencies

The vendor shall defend and hold harmless the State and Federal funding source for the State of Iowa from liability arising from the vendor's performance of this contract and the vendor's activities with subcontracted and all other third parties.

Assignment

Vendors may not assign contracts or purchase orders to any party (including financial institutions) without written permission of the General Services Enterprise - Purchasing.

Anti-Trust Assignment

For good cause and as consideration for executing this purchase order, the vendor, through its duly authorized agent, conveys, sells, assigns, and transfers to the State of Iowa all rights, title and interest in and to all causes of action it may now or hereafter acquire under the anti-trust laws of the United States and the State of Iowa, relating to the particular goods or services purchased or acquired by the State of Iowa pursuant to the using State of Iowa agency.

Delivery and Acceptance

When an award has been made to a vendor and the purchase order issued, deliveries are to be made in the following manner.

- A. Deliveries - All deliveries are to be made only to the point specified on the purchase order. If delivery is made to any other point, it shall be the responsibility of the vendor to promptly reship to the correct location. Failure to deliver procured goods on time may result in cancellation of an order or termination of a contract at the option of the State.
- B. Delivery Charges - All delivery charges should be to the account of the vendor whenever possible. If not, all delivery charges should be prepaid by vendor and added to the invoice.
- C. Notice of Rejection - The nature of any rejections of a shipment, based on apparent deficiencies disclosed by ordinary methods of inspection, will be given by the receiving agency to the vendor and carrier within a reasonable time after delivery of the item, with a copy of this notice to the General Services Enterprise - Purchasing. Notice of latent deficiencies which would make items unsatisfactory for the purpose intended may be given by the State of Iowa at any time after acceptance.

Delivery and Acceptance (cont)

- D. Disposition of Rejected item - The vendor must remove at the vendor's expense any item rejected by the State. If the vendor fails to remove that rejected item, the State may dispose of the item by offering the same for sale, deduct any accrued expense and remit the balance to the vendor.
- E. Testing After Delivery - Laboratory analysis of an item or other means of testing may be required after delivery. In such cases, vendors will be notified in writing that a special test is being made and that payment will be withheld until completion of the testing process.

Title to Goods

The vendor warrants that the goods purchased hereunder are free from all liens, claims or encumbrances.

Indemnification

To the extent that goods are not manufactured in accordance with the State's design, the vendor shall defend, indemnify and hold harmless the State of Iowa, the State's assignees, and other users of the goods from and against any claim of infringement of any Letter Patent, Trade Names, Trademark, Copyright or Trade Secrets by reason of sale or use of any articles purchased hereunder. The State shall promptly notify the vendor of any such claim.

Nondiscrimination

The vendor is subject to and must comply with all federal and state requirements concerning fair employment and will not discriminate between or among them by reason of race, color, religion, sex, national origin or physical handicap.

Warranty

The vendor expressly warrants that all goods supplied shall be merchantable in accordance with the Uniform Commercial Code, Section 2-314 and the Iowa Code, Section 554.2314.

Taxes



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The State of Iowa is exempt from the payment of Iowa sales tax, motor vehicle fuel tax and any other Iowa tax that may be applied to a specified commodity and/or service. Contractors performing construction activities are required to pay state sales tax on the cost of materials. The Iowa Department of Revenue exemption letter will be furnished to a vendor upon request.

Hazardous Material

All packaging, transportation, and handling of hazardous materials shall be in accordance with applicable federal and state regulations including, but not limited to, the Material Safety Data Sheet provision of O.S.H.A. Hazard Communication Standard 29CFR 1910.1200, and Iowa Administrative Code, Chapter 567.

Public Records

The laws of the State of Iowa require procurement records to be made public unless exempted by the Code of Iowa.

Miscellaneous

The terms and provisions of this contract shall be construed in accordance with the laws of the State of Iowa. Any and all litigation or actions commenced in connection with this contract shall be brought in Des Moines, Iowa, in Polk County District Court for the State of Iowa. If however, jurisdiction is not proper in Polk County District Court, the action shall only be brought in the United States District Court for the Southern District of Iowa, Central Division, providing that jurisdiction is proper in that forum. This provision shall not be construed as waiving any immunity to suit or liability, which may be available to the State of Iowa.

If any provision of this contract is held to be invalid or unenforceable, the remainder shall be valid and enforceable.

Records Retention

The vendor shall maintain books, records, and documents which sufficiently and properly document and calculate all charges billed to the State of Iowa throughout the term of this Agreement for a period of at least five (5) years following the date of final payment or completion of any required audit, whichever is later. The vendor shall at, no charge, permit the Auditor of the State of Iowa, or any authorized representative of the State (or where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government) to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records, or other records of the vendor relating to orders, invoices, or payments documentation or materials pertaining to this Agreement.

Independent Contractor

The vendor is an independent contractor performing services for the State of Iowa, and as such shall not hold itself out as an employee or agent of the State.

Performance Monitoring

For all service contracts, the requirements of Iowa Code sections 8.47 shall be incorporated into final terms and conditions of the contract.

N30

NET 30 DAYS



Department of Administrative Services
General Services Enterprise

Date: March 7, 2006

1305 East Walnut Street
Hoover State Office Building, Level A
Des Moines, IA 50319-0105

CONTRACT AGREEMENT
No. CT2839MVLAS

SHORT FORM CONTRACT

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Vendor

Lason Systems Inc
6107 Willowmere Dr.
Des Moines, IA 50321

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General Contract available
to all State Agencies and
political subdivisions.

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CONTRACT PERIOD - Effective 12/01/03

Terminates 11/30/06

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DESCRIPTION OF ITEMS CONTRACTED

Contract for Digital Scanning Services pursuant to the specifications, terms and conditions of Bid No. BD80300S207 dated August 20, 2002 and vendor's proposal on file with The Department of Administrative Services, GSE Purchasing, Hoover Building, Level A, Des Moines, Iowa 50319-0105.

Contact Lason for Project Assessment Meeting prior to the start of any project. Agency shall provide index format and a PO number to contractor with every work order. LASON will evaluate each new project and determine if a Setup Charge is required. The Setup Charge is intended to defray the costs associated with dedication of Lason's technical resources. In the event a Setup Charge is applicable, an explanation will be provided in the Statement of Work. The maximum setup charge will be \$750.00 in any case.

1. Document Preparation & Re-assembly: \$18.50 / Hour. (On or off site)
2. Boxing Documents for Transport: \$ 2.00 PER BOX
3. Transport of Documents: \$12.50/ Batch Round Trip Anywhere Within Polk County. Transport outside Polk County quoted upon request.
4. Scanning 200 DPI up to 17" X 11" sheet size:
5. B&W Good Quality: \$0.0450 / Image.
6. B&W Fair Quality: \$0.0575 / Image.
7. B&W Poor Quality: \$0.0700 / Image.
8. D Size: \$1.29 / Image.
9. E Size: \$1.29 / Image.
10. Color Scans up 11" X 17": \$0.0800 / Image.
11. For greater than 200 DPI, each percent change in DPI will have an equal percent change in price.
12. Indexing: Manual Entry: \$0.0060 / Keystroke.
13. Bar-code/Patch Recognition: \$0.04 / Page.
14. OCR Processing: \$0.02 / Page.
15. CD Master: \$15.00 Each
16. CD Duplicate: \$15.00 Each
17. DVD Master: \$25.00 Each.

18. DVD Duplicate: \$25.00 Each.
19. Conversion to PDF: \$0.005 / Image.
20. Shredding- off-Site: \$0.0030 / Image.
21. Shredding- on-Site: \$0.0040 / Image.
22. Storage: \$0.02 /100 Documents / Week after 20 Weeks from Delivery of media.
23. Fax Back Retrieval of Original Docs: \$4.00 Plus \$0.40 / Page.
24. Document Archive Writing: \$0.0225/ Image.
25. 16mm Microfilm Scanning: \$0.0300 per image.
26. 35mm Microfilm Scanning: \$0.1500 per image
27. 16mm Microfiche Scanning: \$0.0900 per image
28. 35mm Microfiche Scanning: \$0.350 per image
29. 100% Image Inspection: \$0.015 per image
30. Searchable PDF Creation: \$0.05 per image.

Contract also includes a hosted solution for electronic document storage, retrieval and delivery called "Document DNA" (Digital Network Access). Contact Lason for further details.

31. DNA Ingestion charge: \$ 0.0050 / image.
32. DNA Active Storage: \$ 0.0016 / image / month.
33. DNA Archive Storage: \$ 0.0008 / image / month.
34. DNA Application Setup: \$ 5,000.00 one time.

DEFINITIONS OF DOCUMENT QUALITIES:

- Good: Sheets with No Frayed Edges or Stains.
Crisp Text with Consistent Contrast between Text and Background
- Fair: Some Fraying, Tears, and Stains.
Some Yellowing or Fading. Light pen marks;
Inconsistent text contrast
- Poor: Very Brittle. Severe Deterioration High Staining, Mildew,
Smoke damage, Red or Black Markings on Dark Blue Background

TERMS AND CONDITIONS:

- A. MINIMUM ORDER AMOUNT: \$250.00 PER ORDER
- B. This contract does not guarantee the contractor any certain volume of sales. Est. Annual Dollar Value is \$275,000.00.
- C. INVOICE PRICES can not exceed those stated unless the contract is formally amended.
- D. CONFIDENTIALITY: Vendor Agrees To Complete Confidentiality Regarding All Documents And Their Contents Provided For Scanning.
- E. QUALITY CONTROL: No More Than One Sheet per 200 shall be missing, duplicated, skewed, be illegible or have improper orientation. No Errors Are Allowed On Indexing.
- F. INSURANCE: Lason agrees to the following insurance limits:
 - \$ 51,000 - Blanket Business Personal Property
 - \$ 411,000 - EDP Electronic Document Processing
 - \$ 1,000,000 - Valuable Papers
 - \$ 5,000,000 - Blanket Business Income

G. REIMBURSEMENT: Agencies will reimburse Lason monthly for each Work Order completed satisfactorily. Payment by EFT is available.

H. DELIVERY: Pick Up and Delivery - \$12.50 / Batch Anywhere Within the State. Frequency of Pick Ups and Delivery to be reasonable and mutually agreed to between Lason and Agency (See Below). Work shall typically be complete within 3 days upon receipt of documents to be scanned. Please coordinate with Lason. Partial deliveries are acceptable.

All deliveries are to be made only to the point specified on the purchase order. If delivery is made to any other point, it shall be the responsibility of the vendor to promptly reship to the correct location. Failure to deliver procured goods on time may result in cancellation of an order or termination of a contract at the option of the State.

I. REMEDIES UPON DEFAULT - In any case where the vendor has failed to deliver or has delivered non-conforming goods and/or services, the State shall provide a cure notice. The notice to cure shall state the maximum length of time the vendor has to cure. If after the time period stated in the notice to cure has passed, the vendor continues to be in default, the State may procure goods and/or services in substitution from another source and charge the difference between the contracted price and the market price to the defaulting vendor. The State's Attorney General shall be requested to make collection from the defaulting vendor.

J. FORCE MAJEURE - Force majeure includes acts of God, war, civil disturbance and any other causes which are beyond the control and anticipation of the party affected and which, by the exercise of reasonable diligence, the party was unable to anticipate or prevent. These provisions of force majeure also apply to subcontractors or suppliers of the Vendor. Force majeure does not include financial difficulties of the Vendor or any associated company of the Vendor, or claims or court orders that restrict the Vendor's ability to deliver the goods or services contemplated by this Agreement. Neither the Vendor nor the State shall be liable to the other for any delay or failure of performance of this Agreement caused by a force majeure, and not as a result of the fault or negligence of a party.

K. SUBCONTRACTORS - The successful vendor shall be responsible for all acts and performance of any subcontractor or secondary supplier that the successful vendor may engage for the completion of any contract with the State. A delay that results from a subcontractor's conduct, negligence or failure to perform shall not exempt the vendor from default remedies. The successful vendor shall be responsible for payment to all subcontractors and all other third parties.

L. TERMINATION-NON-APPROPRIATION - Notwithstanding any other provision of this contract, if funds anticipated for the continued fulfillment of this contract are at any time not forthcoming or insufficient, either through the failure of the State to appropriate funds, discontinuance or material alteration of the program for which funds were provided, then the State shall have the right to terminate this contract without penalty by giving not less than thirty (30) days written notice documenting the lack of funding, discontinuance or program alteration.

M. IMMUNITY OF STATE/FED AGENCIES - The vendor shall defend and hold harmless the State and Federal funding source for the State of Iowa from liability arising from the vendor's performance of this contract and the vendor's activities with subcontracted and all other third parties.

N. ASSIGNMENT - Vendors may not assign contracts or purchase orders to any party (including financial institutions) without written permission of the General Services Enterprise - Purchasing.

O. ANTI-TRUST ASSIGNMENT - For good cause and as consideration for executing this purchase order, the vendor, through its duly authorized

agent, conveys, sells, assigns, and transfers to the State of Iowa all rights, title and interest in and to all causes of action it may now or hereafter acquire under the anti-trust laws of the United States and the State of Iowa, relating to the particular goods or services purchased or acquired by the State of Iowa pursuant to the using State of Iowa agency.

- P. NOTICE OF REJECTION - The nature of any rejections of a shipment, based on apparent deficiencies disclosed by ordinary methods of inspection, will be given by the receiving agency to the vendor and carrier within a reasonable time after delivery of the item, with a copy of this notice to the General Services Enterprise - Purchasing. Notice of latent deficiencies which would make items unsatisfactory for the purpose intended may be given by the State of Iowa at any time after acceptance.
- Q. DISPOSITION OF REJECTED ITEM - The vendor must remove at the vendor's expense any item rejected by the State. If the vendor fails to remove that rejected item, the State may dispose of the item by offering the same for sale, deduct any accrued expense and remit the balance to the vendor.
- R. TESTING AFTER DELIVERY - Laboratory analysis of an item or other means of testing may be required after delivery. In such cases, vendors will be notified in writing that a special test is being made and that payment will be withheld until completion of the testing process.
- S. TITLE TO GOODS - The vendor warrants that the goods purchased hereunder are free from all liens, claims or encumbrances. Title to goods and Risk of loss/damage transfers from seller to buyer after delivery and the acceptance by buyer.
- T. INDEMNIFICATION - To the extent that goods are not manufactured in accordance with the State's design, the vendor shall defend, indemnify and hold harmless the State of Iowa, the State's assignees, and other users of the goods from and against any claim of infringement of any Letter Patent, Trade Names, Trademark, Copyright or Trade Secrets by reason of sale or use of any articles purchased hereunder. The State shall promptly notify the vendor of any such claim.
- U. NONDISCRIMINATION - The vendor is subject to and must comply with all federal and state requirements concerning fair employment and will not discriminate between or among them by reason of race, color, religion, sex, national origin or physical handicap.
- V. WARRANTY - The vendor expressly warrants that all goods supplied shall be merchantable in accordance with the Uniform Commercial Code, Section 2-314 and the Iowa Code, Section 554.2314. ALL PRODUCT CARRIES FULL USA OEM WARRANTY
- W. TAXES - The State of Iowa is exempt from the payment of Iowa sales tax, motor vehicle fuel tax and any other Iowa tax that may be applied to a specified commodity and/or service. Contractors performing construction activities are required to pay state sales tax on the cost of materials. The Iowa Department of Revenue exemption letter will be furnished to a vendor upon request.
- X. HAZARDOUS MATERIAL - All packaging, transportation, and handling of hazardous materials shall be in accordance with applicable federal and state regulations including, but not limited to, the Material Safety Data Sheet provision of O.S.H.A. Hazard Communication Standard 29CFR 1910.1200, and Iowa Administrative Code, Chapter 567.
- Y. PUBLIC RECORDS - The laws of the State of Iowa require procurement records to be made public unless exempted by the Code of Iowa.
- Z. JURISDICTION - The terms and provisions of this contract shall be construed in accordance with the laws of the State of Iowa. Any and all litigation or actions commenced in connection with this contract shall

be brought in Des Moines, Iowa, in Polk County District Court for the State of Iowa. If however, jurisdiction is not proper in Polk County District Court, the action shall only be brought in the United States District Court for the Southern District of Iowa, Central Division, providing that jurisdiction is proper in that forum. This provision shall not be construed as waiving any immunity to suit or liability, which may be available to the State of Iowa. If any provision of this contract is held to be invalid or unenforceable, the remainder shall be valid and enforceable.

AA. RECORDS RETENTION - The vendor shall maintain books, records, and documents which sufficiently and properly document and calculate all charges billed to the State of Iowa throughout the term of this Agreement for a period of at least five (5) years following the date of final payment or completion of any required audit, whichever is later. The vendor shall at, no charge, permit the Auditor of the State of Iowa, or any authorized representative of the State (or where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government) to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records, or other records of the vendor relating to orders, invoices, or payments documentation or materials pertaining to this Agreement.

BB. INDEPENDENT CONTRACTOR - The vendor is an independent contractor performing services for the State of Iowa, and as such shall not hold itself out as an employee or agent of the State.

FOB POINT DESTINATION or as noted above.
PAYMENT TERMS: N30 days
VENDOR CONTACT: Brian Haberman
VENDOR PHONE: 515-243-1300
VENDOR FAX: 515-243-9175
VENDOR EMAIL: bhaberman@lason.com
VENDOR I.D. NO.: 3833848000

PURCHASING CONTACT: Ashley Super
PURCHASING PHONE: 515-281-7073
PURCHASING FAX: 515-242-5974
PURCHASING EMAIL: ashley.super@iowa.gov

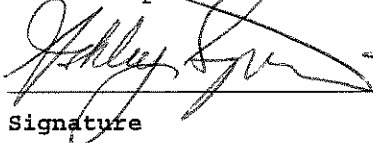
	COMMODITY	UNIT COST	UNIT / DESCRIPTION
Line 1	96626	0.000000	Digital Scanning Services per above

Purchase Orders to show reference to above Contract Number
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IN WITNESS WHEREOF, the parties have executed this agreement as of the date of signature by State of Iowa below.

For STATE OF IOWA:
Ashley Super, PA III
IA Dept. of Admin Services

For: LASON SYSTEMS INC
Brian Haberman

 3/10/06

Signature Date

 3/8/06

Signature Date